28 JAN 1980

Mr. Peter Glading
Assistant Commissioner
Office of Motor Equipment
General Services Administration
Washington, DC 20405

Dear Mr. Glading:

Pursuant to our meeting of 19 December 1979 concerning proposals for greater utilization of U. S. Government-owned vehicles, I am providing you, herewith, our requirements. The total number of vehicles needed at this time is 159. The attachment indicates the priority and locations in which we wish to have the vehicles assigned.

We expect that the transition from the use of private automobiles for official purposes to U. S. Government vehicles will assure that our employees are able to obtain gasoline during times of shortages to do their jobs, and we believe such a program will be cost effective to the Agency and the U. S. Government.

Assuming that each vehicle will be operated approximately 15,000 miles per year, reimbursement for equivalent usage of a POV at the current POV mileage reimbursement rate of .185 would cost the U. S. Government $2,775 per year. The annual cost of a GSA-leased vehicle based on current rates of $80 per month, plus $.065 per mile, would run $1,935. The resultant savings to the U. S. Government per vehicle are $840. Further, since the new leased vehicles, in accordance with federal standards, would be more fuel-efficient, averaging at least 25 miles per gallon of gas, we would expect a considerable savings in gasoline consumption. Assuming that many individuals still operate POV's which average no more than 16 miles per gallon of gasoline, a POV operated 15,000 miles will consume 938 gallons of gasoline. Gasoline consumption of the GSA-leased

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vehicle should be approximately 600 gallons, a savings of 338 gallons per vehicle. Annual savings can be projected at $133,560 and 53,742 gallons of gasoline - 30 percent and 36 percent respectively. I believe these estimates are on the conservative side, and we can expect even greater savings.

The Agency is prepared to reimburse GSA for the lease cost of the vehicles consistent with the established GSA rates. The reimbursement will be effected in accordance with the procedures being developed between our two staffs. As you know, some of the Billing Office Account Codes (BOAC) have been established and are being used to reimburse for the vehicles which you were kind enough to make available to us during the recent fuel crisis.

The individuals to whom these vehicles will be assigned will be documented as U. S. Government employees consistent with the requirements of this Agency. You may be assured that all of the vehicles will be used for conducting official government business. In some instances it will be necessary for the vehicles to be driven to and from the employee's home. Such practices will be approved by the Agency when deemed appropriate.

Request that your office take action to lease these vehicles. The lease arrangement at the present time seems to be the most feasible if we are to institute this program relatively soon. The vehicles will be put to use just as soon as they can be made available. In the future, if GSA requires additional funds to sustain such a program, or if it needs to be justified to the Office of Management and Budget, perhaps this Agency can assist you in supporting your efforts.

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Sincerely,

/s/ James H. McDonald

James H. McDonald
Director of Logistics

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cc: Compt